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THE LABOR MARKET REPORT TENNESSEE

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RAYBURN TRAUGHBER, COMMISSIONER

DATA FOR DECEMBER 1986

TABLE OF CONTENTS

Two Measures of Employment.....1
Tennessee Labor Force Summary.....4
State Unemployment Insurance Activities.....6
Chattanooga MSA.....7
Johnson City, Kingsport, and Bristol MSA.....8
Knoxville MSA.....9
Memphis MSA.....10
Nashville MSA.....11
Consumer Price Index.....12

Two Measures of Employment: What Can They Tell Us?

Statistics on employment, key gauges of the economy, are provided each month by the U.S. Department of Labor's Bureau of Labor Statistics through two independent estimates: the household series (current population survey) and the establishment survey (payroll, or nonfarm, series). The household employment series is used in part to compute the familiar unemployment rate, and the payroll employment series measures primarily employment by industry.

Although both series attempt to quantify changes in the labor market, the two series sometimes record significantly different results; this disparity is caused mainly by fundamental differences in structure and coverage. Total employment as measured in the current population survey (C.P.S.) and total nonfarm employment as measured in the establishment (payroll) survey are quite distinct. For example, the differences between them cannot be reconciled by simply adding farm employment to the payroll series. A look at the composition of the two series highlights some of their contrasting features.

What Each Series Measures

Household Survey.

The household (C.P.S.) series provides employment status data representative of the entire U.S. civilian population 16 years of age and older. This survey of about 55,000 households, conducted by the U.S. Commerce Department's Bureau of the Census and published by the Bureau of Labor Statistics, measures the work status of individuals. In addition to canvassing respondents employed in corporations, government agencies, non-profit organizations, and other establishments, it also captures those who are self-employed, unpaid employees working 15 hours or more during the survey week in family-operated enterprises, and private household workers. Since each person surveyed is classified as either employed, unemployed, or not in the labor force, the household survey counts each person by work status only once. Employed persons with more than one job are counted in the job for which they work the most

hours. A number of other characteristics, such as age, sex, race, educational attainment, and marital status are also reported. Inmates of correctional and mental institutions are excluded from the household data.

Establishment Series

The second measure of employment is the establishment or payroll employment series, also known as nonfarm employment, which is collected from a sample of business payroll records by the Bureau of Labor Statistics in cooperation with state agencies. Those who worked in more than one business establishment during the survey period are counted each time their name appears on a payroll. The establishment series provides practically no socio-economic information about workers but is a good source of information on employment by specific geographic areas and industries. It also gathers hours and earnings data that correspond directly to the employment data. This series encompasses military personnel who hold civilian jobs during their off-duty hours and may also include some inmates of institutions who are working either inside or outside the institution, if they are included on payrolls. Unlike the household survey data, the establishment series has no age limitations; however, since child labor laws and school prevent most children under 16 from working few statistics about children are captured in the survey.

Employment for an establishment making more than one product or engaging in more than one activity is included under the industry identified as the principal product or activity. This procedure has obvious short-comings for business conglomerates with a number of different activities. Further, no distinction is made by occupation. A nurse employed at a textile mill would be counted as a textile industry employee, not as a health service worker.

Comparison Problems

Many factors affect the comparability of the two surveys. One difference is how workers absent for a full week from their jobs are considered. The household survey includes among the employed all persons who had jobs during the survey week but were temporarily absent because of illness, bad weather, vacation, strikes, or various personal reasons, regardless of whether they were paid by their employers for the time off or taking unpaid leave. By contrast, the establishment survey excludes all absent employees except those persons on paid leave during the survey period. Another discrepancy is in the treatment of those employed in more than one job. The household survey, as noted earlier, counts each person by work status only once, since each person is classified as either employed, unemployed, or not in the labor force. For the establishment series, those employed in more than one position during the survey period are counted each time their names appear on a payroll.

Industries in the trade and service sectors, where dual job-holding is common, are responsible for the bulk of the comparison problems between series. Since 86 percent of job growth in the national economy over the past two decades has occurred in the service sector, the discrepancies between the two series are significant.

Yet another distinguishing feature between the two surveys is that sample adjustments are made in the household survey to reflect ongoing changes in the composition of the population. Since the sample is tied to the decennial census of population, an under-count or an overcount of the population would affect the household survey, whereas population changes would have no effect on the establishment survey. Age limitations mentioned previously also create differences between the series.

Different methods of surveying agricultural workers also account for a discrepancy between the two series. The payroll series, though known as the nonagricultural employment series, includes some farm workers in the services category. Still, most farm workers are missed by the payroll series. One reason for this omission is that many workers on family

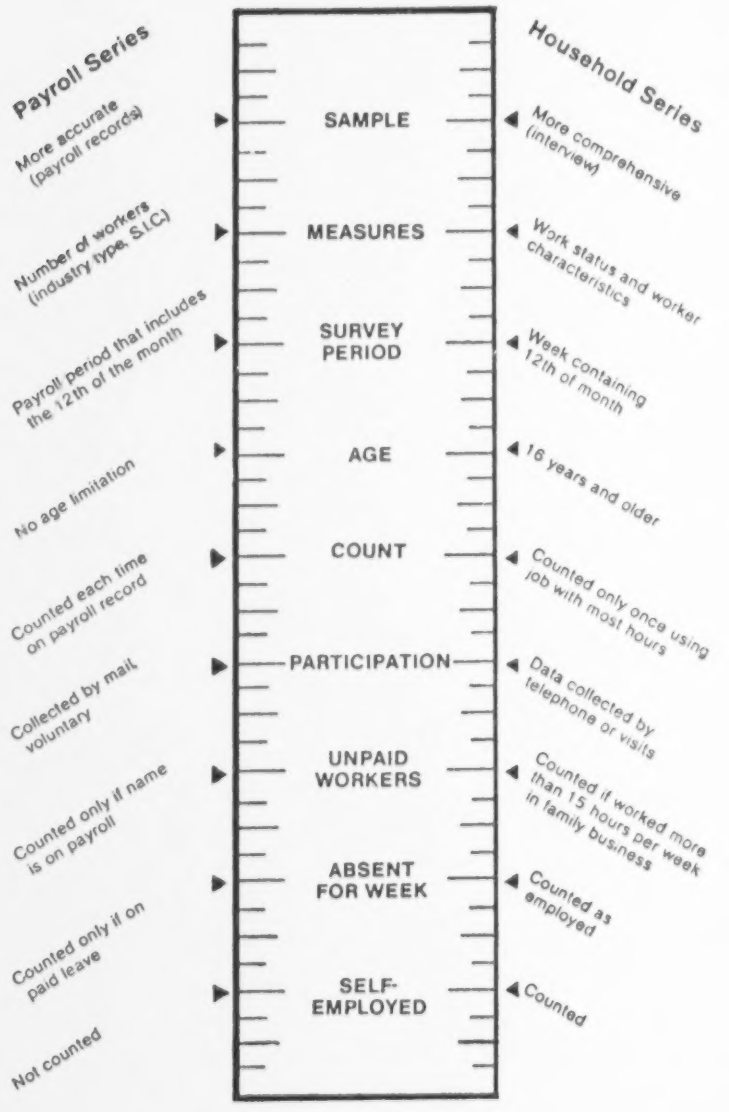
farms are unpaid; of course, unpaid workers are not taken into account in the payroll series because they are not on payrolls. Indeed unpaid workers on farms actually outnumber paid workers by almost 3 percent, according to the U.S. Department of Agriculture. In contrast, the household series includes unpaid people who worked more than 15 hours a week in a family-operated enterprise. Since all family members, excluding small children, typically work in some fashion on the family farm and in other small family-run businesses, these figures could be responsible for a fairly large disparity between the employment measures of the two series.

The survey period itself is another point of difference between the two series. The time period for the household series is always one calendar week including the 12th of the month. For the payroll series, the time reference is the payroll period (not necessarily one week) that includes the 12th of the month. Clearly this period may not coincide with the week of the household survey.

The two series are also distinguished by separate methods of data collection and unique measurement problems. Establishment data is collected by mail on a voluntary basis, while household data is collected directly from individuals by personal visits or telephone contacts. Data collection problems may develop if the respondent to the establishment survey does not have ready access to the information requested. Self-employed people are another large and growing group not included in the establishment survey.

An additional problem is that part-time workers constitute a large portion of the work forces of services- or trade-oriented firms (20.7 percent compared with 4.5 percent in manufacturing). Since the establishment survey makes no distinction between part-time and full-time workers, the numbers of workers reported for service industries are not strictly comparable to the manufacturing industries, where nearly all employees are full-time.

Contrasting Two Measures of Employment



Editor's Note: This article appeared in part in "Two Measures of Employment: What Can They Tell Us?" by David Avery, Economic Review, Federal Reserve Bank of Atlanta, August/September 1986, pp. 32-36

TENNESSEE CIVILIAN LABOR FORCE SUMMARY

	December 1985				Revised November 1986				Preliminary December 1986			
	Labor Force	Employment	Unemploy.	Rate	Labor Force	Employment	Unemploy.	Rate	Labor Force	Employment	Unemploy.	Rate
U. S. 1/	115,780,000	180,063,000	7,717,000	6.7	118,623,000	110,751,000	7,872,000	6.6	118,049,000	110,588,000	7,461,000	6.3
TENNESSEE 2/	2,269,100	2,091,400	177,700	7.8	2,338,600	2,157,700	180,900	7.7	2,319,800	2,139,800	180,000	7.8
MSAs												
CHATTANOOGA	205,600	191,300	14,300	7.0	204,700	191,500	13,200	6.4	207,500	193,600	13,900	6.7
JOHNSON CITY, KINGSPORT, AND BRISTOL	213,300	198,500	14,800	6.9	215,700	200,500	15,200	7.0	216,400	202,000	14,400	6.7
KNOXVILLE	270,100	249,100	21,000	7.8	280,800	258,700	22,100	7.9	277,800	255,100	22,700	8.2
MEMPHIS	422,800	393,900	28,900	6.8	433,300	402,900	30,400	7.0	430,100	401,300	28,800	6.7
NASHVILLE	492,500	470,400	22,100	4.5	505,900	481,900	24,000	4.7	503,100	480,000	23,100	4.6

1/ Error range for these estimates is plus or minus 0.2 percentage points.
2/ Error range for these estimates cannot be computed.

TENNESSEE'S NONAGRICULTURAL EMPLOYMENT REACHES RECORD HIGH

Tennessee's December unemployment rate was 7.8 percent, representing an increase of one-tenth of a percentage point over the November rate. December unemployment is traditionally higher than November. When studying seasonal trends, the increase in the December unemployment rate was slightly less than the ten-year average change which is usually up by approximately six-tenths of a percentage point. Over the last ten years the December unemployment rate has ranged from a low of 5.6 percent in 1978 to a high of 13.4 percent in 1982.

In addition to the all-time high total nonagricultural employment, record high levels were recorded last month in the following areas:

Total Nonagricultural Employment	1,991,500
Transportation Equipment	33,700
Nonmanufacturing	1,500,300
Trade	487,100
Wholesale Trade	127,200
Wholesale Durable Goods	70,100
Retail Trade	359,900
Services	406,600
State and Local Government	263,400
Local Government	189,800

STATEWIDE

ESTIMATED NONAGRICULTURAL EMPLOYMENT (in thousands) *

INDUSTRY	December 1985	November 1986	December 1986	Net Change Dec. 1985 to Dec. 1986	Net Change Nov. 1986 to Dec. 1986
TOTAL	1900.9	1981.8	1991.5	+90.6	+9.7
Manufacturing	485.0	489.1	491.2	+6.2	+2.1
Durable Goods	235.3	240.6	240.6	+5.3	0.0
Lumber & Wood Products	18.3	20.3	20.0	+1.7	-0.3
Furniture & Fixtures	25.1	26.6	27.1	+2.0	+0.5
Stone, Clay, Glass, & Concrete	14.4	13.7	13.6	-0.8	-0.1
Primary Metal Industries	17.5	17.2	17.2	-0.3	0.0
Fabricated Metal Products	37.4	38.2	38.3	+0.9	+0.1
Machinery, Except Electrical	34.7	36.1	35.9	+1.2	-0.2
Electrical & Electronic Machinery	36.2	35.4	35.3	-0.9	-0.1
Transportation Equipment	32.1	33.4	33.7	+1.6	+0.3
Instruments & Related Products	9.4	9.4	9.2	-0.2	-0.2
Miscellaneous Manufacturing	10.2	10.3	10.3	+0.1	0.0
Nondurable Goods	249.7	248.5	250.6	+0.9	+2.1
Food & Kindred Products	38.2	40.2	39.9	+1.7	-0.3
Meat Products	7.9	8.4	8.4	+0.5	0.0
Dairy Products	3.2	3.1	3.2	0.0	+0.1
Tobacco Manufactures	2.6	1.4	2.5	-0.1	+1.1
Textile Mill Products	21.9	22.6	22.5	+0.6	-0.1
Knitting Mills	10.6	10.7	10.7	+0.1	0.0
Yarn & Thread Mills	2.1	2.3	2.3	+0.2	0.0
Apparel Products	63.1	61.7	62.7	-0.4	+1.0
Paper & Allied Products	17.5	18.0	17.8	+0.3	-0.2
Printing, Publishing, & Allied Indus.	31.5	31.1	31.6	+0.1	+0.5
Chemicals & Allied Products	39.2	38.9	38.7	-0.5	-0.2
Petroleum Refining & Related Indus.	1.0	0.9	0.9	-0.1	0.0
Rubber & Miscellaneous Plastics	22.9	23.9	24.1	+1.2	+0.2
Leather & Leather Products	10.8	9.8	9.9	-0.9	+0.1
Nonmanufacturing	1415.8	1492.7	1500.3	+84.5	+7.6
Mining	7.5	6.8	6.4	-1.1	-0.4
Construction	83.3	90.3	89.9	+6.6	-0.4
Trans., Communication, & Utilities	94.1	93.6	92.7	-1.4	-0.9
Trade	463.6	478.7	487.1	+23.5	+8.4
Wholesale Trade	119.6	127.0	127.2	+7.6	+0.2
Wholesale Durable Goods	66.6	69.8	70.1	+3.5	+0.3
Wholesale Nondurable Goods	53.0	57.2	57.1	+4.1	-0.1
Retail Trade	344.0	351.7	359.9	+15.9	+8.2
Bldg. Materials & Garden Supp.	13.2	13.2	13.1	-0.1	-0.1
Retail General Merchandise	53.2	52.8	57.1	+3.9	+4.3
Food Stores	57.8	60.1	61.8	+4.0	+1.7
Automotive Dlrs. & Serv. Stations	39.8	39.5	39.6	-0.2	+0.1
Apparel & Accessory Stores	20.4	18.8	20.0	-0.4	+1.2
Furn. & Home Furnishings	12.0	11.7	12.1	+0.1	+0.4
Eating & Drinking Places	107.0	114.7	115.0	+8.0	+0.3
Miscellaneous Retail	40.5	41.0	41.2	+0.7	+0.2
Finance, Insurance, & Real Estate	89.5	90.8	91.2	+1.7	+0.4
Banking	27.2	26.9	26.9	-0.3	0.0
Insurance Carriers	22.1	22.5	22.6	+0.5	+0.1
Services	365.4	405.7	406.6	+41.2	+0.9
Hotels & other Lodging	22.6	24.3	22.5	-0.1	-1.8
Personal Services	25.4	28.4	28.7	+3.3	+0.3
Business Services	69.4	72.0	72.6	+3.2	+0.6
Health Services	122.5	134.4	135.0	+12.5	+0.6
Hospitals	62.4	71.5	72.0	+9.6	+0.5
Government	312.5	326.8	326.4	+13.9	-0.4
Federal	59.3	63.5	63.0	+3.7	-0.5
State & Local	253.2	263.3	263.4	+10.2	+0.1
State	71.2	73.8	73.6	+2.4	-0.2
Local	182.0	189.5	189.8	+7.8	+0.3

*Data includes all full and part-time nonagricultural wage and salary employees who worked during, or received pay for, any part of the pay week which includes the 12th of the month. This is a count of jobs by place of work. Agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers are excluded.

Numbers may not add due to rounding.

EMPLOYMENT SECURITY ACTIVITIES

July 1, 1986 Through December 31, 1986

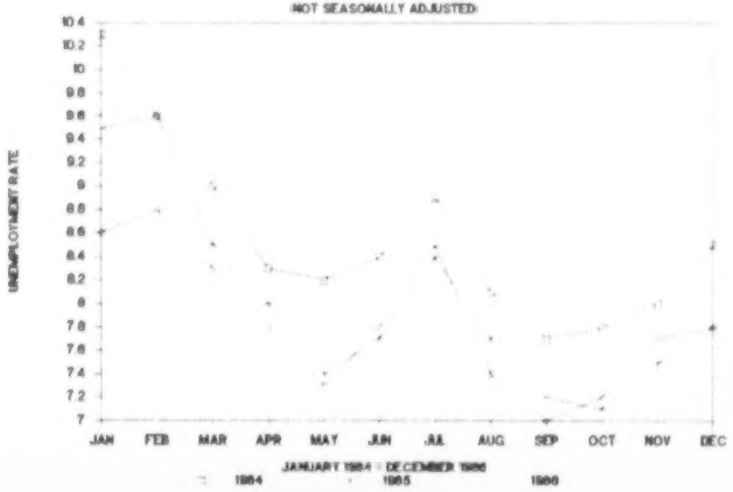
	TOTAL	FEMALE	NON-WHITE	VETERAN
New Applications	107,701	52,865	23,804	12,663
Testing	5,705	3,891	1,500	657
Referred to Training	2,258	1,047	1,356	292
Nonagricultural Placement	41,388	18,906	11,154	6,195
Counseling	2,230	1,014	749	745

HOURS AND EARNINGS OF PRODUCTION WORKERS

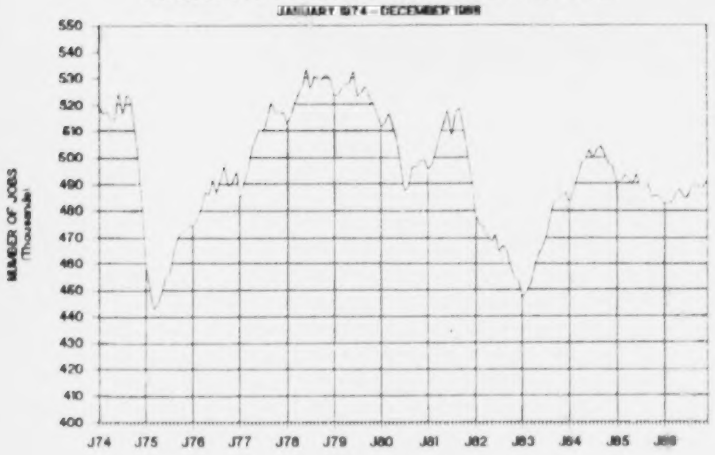
	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986
All Manufacturing	364.23	359.81	361.96	42.7	41.5	41.7	8.53	8.67	8.68
Durable Goods	388.04	382.81	386.74	43.6	41.7	41.9	8.90	9.18	9.23
Lumber & Wood Products	229.82	241.02	241.13	39.9	41.2	40.8	5.76	5.85	5.91
Furniture & Fixtures	319.86	287.03	296.34	43.4	39.7	40.1	7.37	7.23	7.39
Stone, Clay, Glass, & Conc.	512.44	507.35	518.02	46.0	44.7	45.6	11.14	11.35	11.36
Primary Metal Industries	497.51	476.98	481.74	44.5	43.6	44.4	11.18	10.94	10.85
Fabricated Metal Products	407.89	394.61	391.40	43.3	40.4	41.2	9.42	9.52	9.50
Machinery	376.77	369.18	366.86	44.8	42.0	41.5	8.41	8.79	8.84
Instruments & Related Prod.	333.29	355.88	359.81	41.3	41.0	41.5	8.07	8.68	8.67
Nondurable Goods	340.65	335.37	338.21	41.9	41.2	41.6	8.13	8.14	8.13
Food & Kindred Products	332.07	342.31	347.24	41.2	40.8	40.9	8.06	8.39	8.49
Textile Mill Products	274.21	278.88	290.30	41.8	42.0	43.2	6.56	6.64	6.72
Apparel Products	207.20	207.05	209.13	38.3	38.7	38.8	5.41	5.35	5.39
Paper & Allied Products	475.29	480.53	483.56	46.1	44.7	44.0	10.31	10.75	10.99
Chemicals & Allied Prod.	446.76	443.72	454.86	40.8	41.2	42.0	10.95	10.77	10.83
Rubber & Misc. Plastics	433.47	424.76	425.65	45.2	43.7	44.2	9.59	9.72	9.63
Leather & Leather Products	227.13	243.54	249.18	40.2	41.0	41.6	5.65	5.94	5.99

TENNESSEE UNEMPLOYMENT RATES

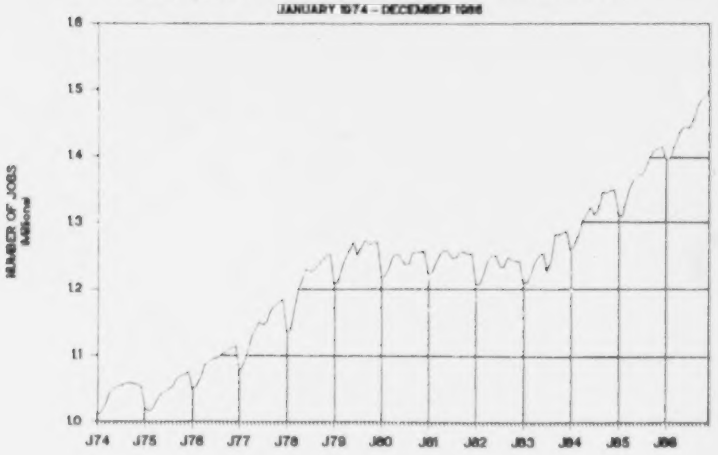
NOT SEASONALLY ADJUSTED



MANUFACTURING JOBS IN TENNESSEE



NONMANUFACTURING JOBS IN TENNESSEE



STATE UNEMPLOYMENT INSURANCE ACTIVITIES

STATE BENEFIT PROGRAM

CLAIMS	December 1985	November 1986	December 1986
Initial Claims	53,971	29,841	53,845
Continued Weeks Claimed	213,620	137,930	209,916
Nonmonetary Determination	3,215	2,483	8,065
Appeals Decisions	1,079	890	1,015
Lower Authority	911	740	825
Higher Authority	168	148	190
Hearings-Other States	0	2	0
BENEFITS			
Amount Paid	$16,144,947	$10,962,415	$16,848,744
Benefit Weeks Paid	183,048	119,625	178,914
Average Weekly Benefit Amount	$ 92	$ 94	$ 93
First Payments	16,271	9,361	15,956
Final Payments	3,835	2,975	3,985
Average Weeks Duration	12	12	12
Trust Fund Balance	$361,044,365	$432,034,623	$416,842,167

FEDERAL BENEFIT PROGRAMS

	December 1985	November 1986	December 1986
FORMER FEDERAL EMPLOYEES:			
Benefits Paid	$912,084	$400,613	$661,890
Benefit Weeks Paid	5,796	2,672	4,106
Initial Claims	765	475	686
Continued Weeks Claimed	6,369	2,595	4,645
Appeals Decisions	12	13	7
FORMER MILITARY PERSONNEL:			
Benefits Paid	$247,470	$137,078	$188,415
Benefits Weeks Paid	2,074	1,086	1,444
Initial Claims	289	246	320
Continued Weeks Claimed	2,305	1,266	1,677
Appeals Decisions	4	5	3

CHATTANOOGA MSA

ESTIMATED NONAGRICULTURAL EMPLOYMENT (in thousands) *

INDUSTRY	December 1985	November 1986	December 1986	Net Change Dec. 1985 to Dec. 1986	Net Change Nov. 1986 to Dec. 1986
TOTAL	182.4	180.4	181.2	-1.2	+0.8
Manufacturing	44.0	43.2	43.1	-0.9	-0.1
Durable Goods	17.7	16.2	16.2	-1.5	0.0
Lumber & Wood Products	0.7	0.6	0.6	-0.1	0.0
Stone, Clay, Glass, & Concrete	1.6	1.7	1.7	+0.1	0.0
Primary Metal Industries	4.1	3.8	3.8	-0.3	0.0
Fabricated Metal Products	4.3	3.7	3.7	-0.6	0.0
Machinery, Except Electrical	2.4	1.8	1.8	-0.6	0.0
All Other Durable Goods	4.6	4.6	4.6	0.0	0.0
Nondurable Goods	26.3	27.0	26.9	+0.6	-0.1
Food & Kindred Products	6.0	7.0	6.9	+0.9	-0.1
Textile Mill Products	11.4	10.8	10.9	-0.5	+0.1
Knitting Mills	2.4	2.5	2.5	+0.1	0.0
Apparel Products	1.3	1.4	1.3	0.0	-0.1
Paper & Allied Products	1.4	1.6	1.6	+0.2	0.0
Printing, Publishing, & Allied Ind.	2.1	2.2	2.2	+0.1	0.0
Chemicals & Allied Products	2.8	2.9	2.9	+0.1	0.0
All Other Nondurable Goods	1.3	1.1	1.1	-0.2	0.0
Nonmanufacturing	138.4	137.2	138.1	-0.3	+0.9
Mining	1.0	1.0	1.0	0.0	0.0
Construction	6.6	7.4	6.6	0.0	-0.8
Trans., Communication, & Utilities	8.1	7.9	7.9	-0.2	0.0
Trade	40.2	38.4	39.3	-0.9	+0.9
Wholesale Trade	10.1	10.1	10.2	+0.1	+0.1
Wholesale Durable Goods	6.1	6.0	6.0	-0.1	0.0
Wholesale Nondurable Goods	4.0	4.1	4.2	+0.2	+0.1
Retail Trade	30.1	28.3	29.1	-1.0	+0.8
Finance, Insurance, & Real Estate	10.7	11.6	11.7	+1.0	+0.1
Services	41.5	39.5	40.2	-1.3	+0.7
Government	30.3	31.4	31.4	+1.1	0.0
Federal	8.2	9.0	9.0	+0.8	0.0
State & Local	22.0	22.4	22.3	+0.3	-0.1
State	4.8	5.0	4.8	0.0	-0.2
Local	17.2	17.4	17.5	+0.3	+0.1

Includes Hamilton, Marion, and Sequatchie Counties in Tennessee and Catoosa, Dade, and Walker Counties in Georgia.

* Data includes all full and part-time nonagricultural wage and salary employees who worked during, or received pay for, any part of the pay week which includes the 12th of the month. This is a count of jobs by place of work. Agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers are excluded.

Numbers may not add due to rounding.

The Chattanooga MSA unemployment rate increased from 6.4 percent to 6.7 percent. Nonagricultural employment increased by 800 jobs to 181,200. Manufacturing decreased by 100 jobs with no industry reporting a change greater than 100. Nonmanufacturing increased by 900 jobs with the largest increases reported in trade (+900) and services (+700). Construction experienced a seasonal decline of 800 jobs.

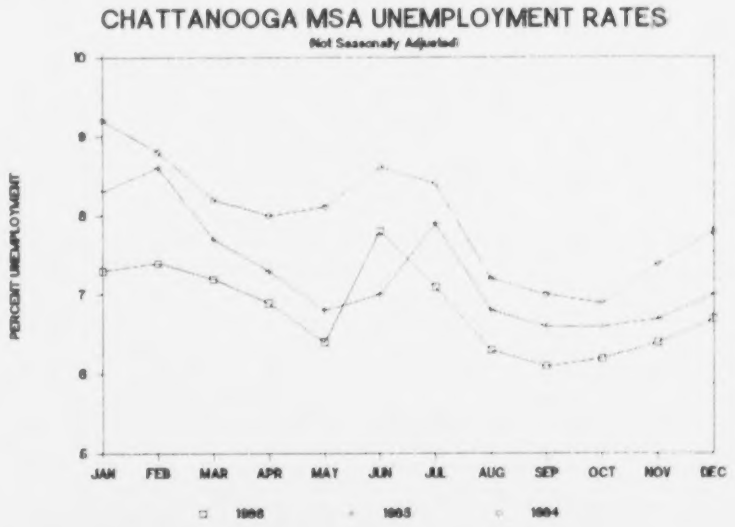
EMPLOYMENT SECURITY ACTIVITIES

July 1, 1986 Through December 31, 1986

	TOTAL	FEMALE	NON-WHITE	VETERAN
New Applications	6,660	3,148	1,692	930
Testing	841	635	207	62
Referred to Training	8	7	7	0
Nonagricultural Placement	2,035	906	859	289
Counseling	160	49	44	58

HOURS AND EARNINGS OF PRODUCTION WORKERS

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986
All Manufacturing	317.09	325.68	323.23	43.2	41.7	41.6	7.34	7.81	7.77
Durable Goods	373.63	346.80	344.51	44.8	40.0	40.2	8.34	8.67	8.57
Stone, Clay, Glass, & Conc.	351.09	276.80	261.67	41.5	34.6	36.7	8.46	8.00	7.13
Iron & Steel Foundries	408.85	413.53	437.58	44.2	44.9	46.9	9.25	9.21	9.33
Fabricated Metal Products	504.29	388.48	388.69	47.8	37.9	37.7	10.55	10.25	10.31
Machinery, Except Elect.	436.72	518.73	519.94	50.9	43.3	44.1	8.58	11.98	11.79
Nondurable Goods	280.39	312.99	310.25	42.1	42.7	42.5	6.66	7.33	7.30
Textile Mill Products	250.54	301.16	306.91	43.8	45.7	47.0	5.72	6.59	6.53
Knitting Mills	227.15	223.72	233.16	41.3	41.2	43.5	5.50	5.43	5.36
Paper & Allied Products	478.61	503.72	485.00	47.2	49.0	48.5	10.14	10.28	10.00
Chemicals & Allied Prod.	420.42	412.44	364.23	39.0	37.7	35.5	10.78	10.94	10.26



JOHNSON CITY, KINGSPORT AND BRISTOL MSA

ESTIMATED NONAGRICULTURAL EMPLOYMENT (in thousands)*

INDUSTRY	December 1985	November 1986	December 1986	Net Change Dec. 1985 to Dec. 1986	Net Change Nov. 1986 to Dec. 1986
TOTAL	153.6	154.5	156.3	+2.7	+1.8
Manufacturing	51.5	50.5	51.2	-0.3	+0.7
Durable Goods	19.9	19.6	19.8	-0.1	+0.2
Lumber & Wood Products and Furniture & Fixtures	1.7	1.9	1.9	+0.2	0.0
Stone, Clay, Glass, & Concrete	2.2	2.0	2.1	-0.1	+0.1
Fabricated Metal Products	2.7	2.3	2.3	-0.4	0.0
Machinery and Trans. Equipment	9.4	9.6	9.6	+0.2	0.0
All Other Durable Goods	3.8	3.8	3.9	+0.1	+0.1
Nondurable Goods	31.6	30.9	31.4	-0.2	+0.5
Food & Kindred Products	2.4	2.4	2.4	0.0	0.0
Textile Mill Products	2.6	2.8	2.8	+0.2	0.0
Apparel Products	4.0	3.5	3.9	-0.1	+0.4
Paper & Allied Products and Printing, Publishing, & Allied	6.2	6.1	6.1	-0.1	0.0
All Other Nondurable Goods	16.4	16.1	16.2	-0.2	+0.1
Nonmanufacturing	102.0	104.0	105.1	+3.1	+1.1
Mining	0.1	0.1	0.1	0.0	0.0
Construction	6.2	5.7	5.6	-0.6	-0.1
Trans., Communication, & Utilities	5.5	5.7	5.6	+0.1	-0.1
Trade	34.8	34.8	36.0	+1.2	+1.2
Wholesale Trade	6.1	6.1	6.0	-0.1	-0.1
Retail Trade	28.7	28.7	29.9	+1.2	+1.2
Finance, Insurance, & Real Estate	4.7	4.6	4.7	0.0	+0.1
Services	24.6	25.0	25.0	+0.4	0.0
Government	26.2	28.1	28.1	+1.9	0.0
Federal	4.0	4.1	4.1	+0.1	0.0
State & Local	22.2	24.0	24.0	+1.8	0.0
State	5.4	5.6	5.7	+0.3	+0.1
Local	16.8	18.4	18.3	+1.5	-0.1

Includes Washington, Carter, Unicoi, Sullivan, and Hawkins Counties in Tennessee and Washington County, Scott County, and Bristol City in Virginia.

* Data includes all full and part-time nonagricultural wage and salary employees who worked during, or received pay for, any part of the pay week which includes the 12th of the month. This is a count of jobs by place of work. Agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers are excluded.

Numbers may not add due to rounding.

The Tri-Cities MSA unemployment rate decreased from 7.0 percent to 6.7 percent. Nonagricultural employment increased by 1,800 jobs to 156,300. Manufacturing increased by 700 jobs with the largest increase reported in apparel products (+400) due to recalls from layoffs. Nonmaufacturing increased by 1,100 jobs with the largest increase reported in retail trade (+1,200) which was seasonal.

EMPLOYMENT SECURITY ACTIVITIES

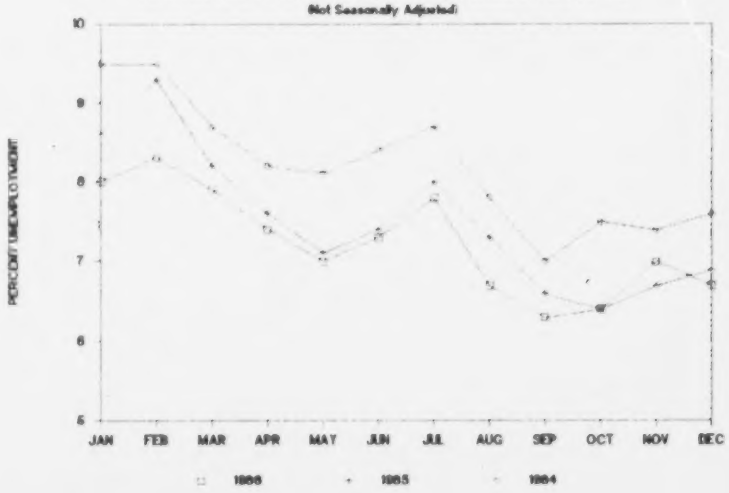
July 1, 1986 Through December 31, 1986

	TOTAL	FEMALE	NON-WHITE	VETERAN
New Applications	8,657	4,301	279	983
Testing	108	93	6	1
Referred to Training	14	4	2	8
Nonagricultural Placement	2,922	1,283	203	445
Counseling	36	10	0	14

HOURS AND EARNINGS OF PRODUCTION WORKERS

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986
All Manufacturing	422.72	395.17	385.90	46.3	43.0	42.5	9.13	9.19	9.08
Durable Goods	414.53	343.37	317.41	50.8	43.3	41.6	8.16	7.93	7.63
Fabricated Metal Prod.	400.15	387.29	358.18	43.4	42.7	41.6	9.22	9.07	8.61
Machinery & Trans. Equip.	477.98	353.93	318.98	56.7	42.9	41.0	8.43	8.25	7.78
Nondurable Goods	428.24	429.00	430.14	43.3	42.9	43.1	9.89	10.00	9.98
Food & Kindred Products	359.16	366.35	390.63	43.8	42.5	43.5	8.20	8.62	8.98
Apparel Products	243.12	256.61	232.13	45.7	48.6	44.9	5.32	5.28	5.17

TRI-CITIES MSA UNEMPLOYMENT RATES



KNOXVILLE MSA

ESTIMATED NONAGRICULTURAL EMPLOYMENT (in thousands)*

INDUSTRY	December 1985	November 1986	December 1986	Net Change Dec. 1985 to Dec. 1986	Net Change Nov. 1986 to Dec. 1986
TOTAL	228.7	235.4	233.0	+4.3	-2.4
Manufacturing	48.7	47.7	47.5	-1.2	-0.2
Durable Goods	28.2	27.7	27.6	-0.6	-0.1
Lumber & Wood Products	1.5	1.7	1.7	+0.2	0.0
Furniture & Fixtures	1.9	1.7	1.8	-0.1	+0.1
Stone, Clay, Glass, & Concrete	1.6	1.4	1.4	-0.2	0.0
Machinery, Except Electrical	2.5	2.4	2.3	-0.2	-0.1
All Other Durable Goods	20.7	20.5	20.4	-0.3	-0.1
Nondurable Goods	20.5	20.0	19.9	-0.6	-0.1
Food & Kindred Products	3.9	3.9	3.8	-0.1	-0.1
Textile Mill Products	3.1	2.9	2.9	-0.2	0.0
Apparel Products	7.6	7.7	7.7	+0.1	0.0
Printing, Publishing, & Allied Ind.	2.7	2.7	2.6	-0.1	-0.1
All Other Nondurable Goods	3.3	2.8	2.9	-0.4	+0.1
Nonmanufacturing	180.0	187.7	185.5	+5.5	-2.2
Mining	2.0	1.7	1.6	-0.4	-0.1
Construction	11.1	12.0	11.8	+0.7	-0.2
Trans., Communication, & Utilities	8.8	8.7	8.6	-0.2	-0.1
Trade	54.0	55.2	53.7	-0.3	-1.5
Wholesale Trade	13.2	13.0	12.9	-0.3	-0.1
Wholesale Durable Goods	8.8	8.6	8.6	-0.2	0.0
Wholesale Nondurable Goods	4.4	4.4	4.3	-0.1	-0.1
Retail Trade	40.8	42.2	40.8	0.0	-1.4
Finance, Insurance, & Real Estate	8.5	8.1	8.1	-0.4	0.0
Services	47.2	49.9	49.9	+2.7	0.0
Government	48.3	52.1	51.8	+3.5	-0.3
Federal	7.2	7.5	7.1	-0.1	-0.4
State & Local	41.1	44.6	44.6	+3.5	0.0
State	19.0	20.2	20.3	+1.3	+0.1
Local	22.1	24.4	24.3	+2.2	-0.1

Includes Anderson, Blount, Grainger, Jefferson, Knox, Sevier, and Union Counties.

* Data includes all full and part-time nonagricultural wage and salary employees who worked during, or received pay for, any part of the pay week which includes the 12th of the month. This is a count of jobs by place of work. Agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers are excluded.

Numbers may not add due to rounding.

The Knoxville MSA unemployment rate increased from 7.9 percent to 8.2 percent. Nonagricultural employment decreased by 2,400 jobs to 233,000. Manufacturing decreased by 200 jobs with no industry reporting a change greater than 100. Nonmanufacturing decreased by 2,200 jobs with the largest decreases reported in retail trade (-1,400) which was due to a seasonal downturn in tourism.

EMPLOYMENT SECURITY ACTIVITIES

July 1, 1986 Through December 31, 1986

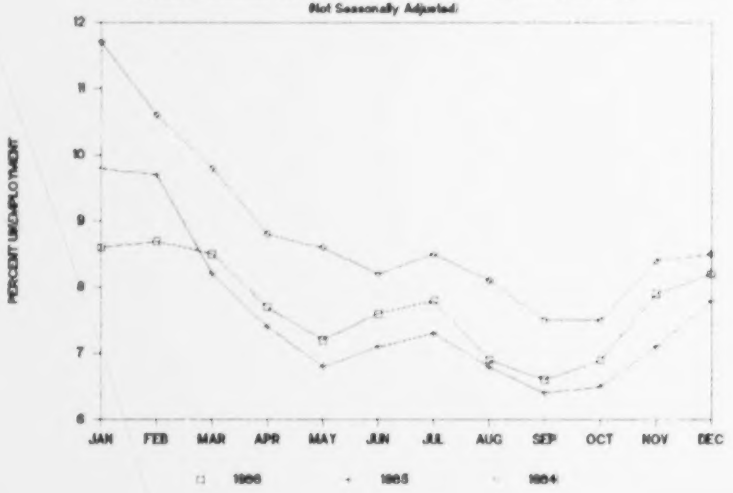
	TOTAL	FEMALE	NON-WHITE	VETERAN
New Applications	10,584	4,878	1,009	1,701
Testing	533	336	73	54
Referred to Training	144	54	22	36
Nonagricultural Placement	4,188	1,811	630	778
Counseling	168	65	27	73

HOURS AND EARNINGS OF PRODUCTION WORKERS

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986
All Manufacturing	384.81	353.73	343.78	41.2	39.7	39.2	9.34	8.91	8.77
Durable Goods	459.38	412.17	391.64	42.3	39.9	38.7	10.86	10.33	10.12
Stone, Clay, Glass, & Conc.	354.05	329.16	358.81	41.8	39.0	39.3	8.47	8.44	9.13
Machinery, Except Elect.	371.90	367.00	361.23	42.6	41.8	38.8	8.73	8.78	9.31
Nondurable Goods	291.34	280.45	282.58	39.8	39.5	39.8	7.32	7.10	7.10
Food & Kindred Products	337.26	286.21	299.01	42.8	41.6	41.3	7.88	6.88	7.24
Textile Mill Products	230.45	249.80	236.93	41.3	42.7	40.5	5.58	5.85	5.85
Apparel Products	266.32	245.34	255.96	37.3	37.4	38.9	7.14	6.56	6.58

KNOXVILLE MSA UNEMPLOYMENT RATES

Not Seasonally Adjusted



MEMPHIS MSA

ESTIMATED NONAGRICULTURAL EMPLOYMENT (in thousands) *

INDUSTRY	December 1985	November 1986	December 1986	Net Change Dec. 1985 to Dec. 1986	Net Change Nov. 1986 to Dec. 1986
TOTAL	387.9	393.8	394.2	+6.3	+0.4
Manufacturing	50.2	51.3	51.9	+1.7	+0.6
Durable Goods	21.2	22.3	22.3	+1.1	0.0
Lumber & Wood Products	2.5	2.7	2.7	+0.2	0.0
Sawmills & Planing Mills	1.0	1.0	1.0	0.0	0.0
Furniture & Fixtures	2.0	2.0	1.9	-0.1	-0.1
Fabricated Metal Products	4.9	5.0	5.0	+0.1	0.0
Machinery, Except Electrical	3.5	3.8	3.7	+0.2	-0.1
Electrical & Electronic Machinery	2.5	2.8	2.8	+0.3	0.0
All Other Durable Goods	5.8	6.0	6.1	+0.3	+0.1
Nondurable Goods	29.0	29.0	29.6	+0.6	+0.6
Food & Kindred Products	8.3	7.8	7.9	-0.4	+0.1
Bakery Products	1.4	1.3	1.3	-0.1	0.0
Apparel Products	1.9	1.9	1.9	0.0	0.0
Paper & Allied Products	5.2	5.7	5.8	+0.6	+0.1
Printing, Publishing, & Allied Ind.	4.8	4.8	5.1	+0.3	+0.3
Chemicals & Allied Products	6.6	6.5	6.6	0.0	+0.1
All Other Nondurable Goods	2.2	2.3	2.3	+0.1	0.0
Nonmanufacturing	337.7	342.5	342.3	+4.6	-0.2
Mining	0.1	0.1	0.1	0.0	0.0
Construction	17.6	18.4	18.6	+1.0	+0.2
Trans., Communication, & Utilities	32.8	34.5	34.7	+1.9	+0.2
Trade	109.1	108.3	108.6	-0.5	+0.3
Wholesale Trade	34.9	34.6	34.7	-0.2	+0.1
Wholesale Durable Goods	21.7	21.2	21.2	-0.5	0.0
Wholesale Nondurable Goods	13.2	13.4	13.5	+0.3	+0.1
Retail Trade	74.2	73.7	73.9	-0.3	+0.2
Finance, Insurance, & Real Estate	23.0	23.3	23.3	+0.3	0.0
Services	87.8	88.6	88.1	+0.3	-0.5
Government	67.3	69.3	68.9	+1.6	-0.4
Federal	16.7	16.7	16.5	-0.2	-0.2
State & Local	50.6	52.6	52.4	+1.8	-0.2
State	13.3	14.0	13.8	+0.5	-0.2
Local	37.3	38.6	38.6	+1.3	0.0

Includes Shelby and Tipton Counties in Tennessee and Crittendon County in Arkansas.

* Data includes all full and part-time nonagricultural wage and salary employees who worked during, or received pay for, any part of the pay week which includes the 12th of the month. This is a count of jobs by place of work. Agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers are excluded.

Numbers may not add due to rounding.

The Memphis MSA unemployment rate decreased from 7.0 percent to 6.7 percent. Nonagricultural employment increased by 400 jobs to 394,200. Manufacturing increased by 600 jobs while nonmanufacturing decreased by 200 jobs. The increase in manufacturing occurred in nondurable goods with the largest increase reported in printing, publishing, and allied products (+300). Increases in construction (+200), trade (+300) and transportation, communication, and utilities (+200) were offset by seasonal declines in services (-500) and government (-400).

EMPLOYMENT SECURITY ACTIVITIES

July 1, 1986 Through December 31, 1986

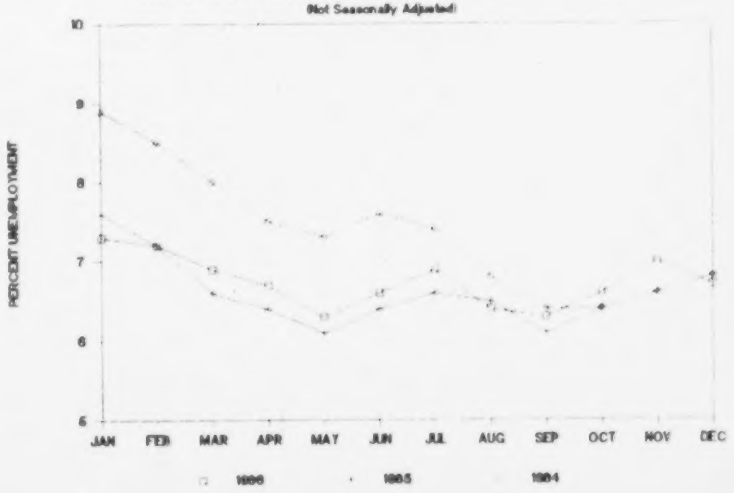
	TOTAL	FEMALE	NON-WHITE	VETERAN
New Applications	16,848	8,107	9,916	2,030
Testing	838	731	570	41
Referred to Training	468	148	429	68
Nonagricultural Placement	4,812	1,962	2,845	849
Counseling	608	415	441	115

HOURS AND EARNINGS OF PRODUCTION WORKERS

	Average Weekly Earnings Dec. 1985	Average Weekly Earnings Nov. 1986	Average Weekly Earnings Dec. 1986	Average Weekly Hours Dec. 1985	Average Weekly Hours Nov. 1986	Average Weekly Hours Dec. 1986	Average Hourly Earnings Dec. 1985	Average Hourly Earnings Nov. 1986	Average Hourly Earnings Dec. 1986
All Manufacturing	379.76	368.26	369.56	43.6	41.8	41.9	8.71	8.81	8.82
Durable Goods	329.22	326.83	329.60	42.1	40.6	41.2	7.82	8.05	8.00
Lumber & Wood Products	216.14	214.94	233.45	40.4	40.1	42.6	5.35	5.36	5.48
Furniture & Fixtures	202.27	219.91	266.46	39.2	39.2	41.1	5.16	5.61	5.51
Nondurable Goods	422.96	408.07	405.45	44.9	43.0	42.5	9.42	9.49	9.54
Food & Kindred Products	413.08	382.08	380.03	43.3	42.5	42.7	9.54	8.99	8.90
Paper & Allied Products	529.20	487.19	502.51	54.0	47.3	46.4	9.80	10.30	10.83
Chemicals & Allied Prod.	514.05	510.60	550.31	44.2	42.8	48.4	11.63	11.93	11.37

MEMPHIS MSA UNEMPLOYMENT RATES

Not Seasonally Adjusted



NASHVILLE MSA

ESTIMATED NONAGRICULTURAL EMPLOYMENT(in thousands) *

INDUSTRY	December 1985	November 1986	December 1986	Net Change Dec. 1985 to Dec. 1986	Net Change Nov. 1986 to Dec. 1986
TOTAL	433.2	440.9	440.4	+7.2	-0.5
Manufacturing	91.5	90.6	90.4	-1.1	-0.2
Durable Goods	52.9	52.1	51.9	-1.0	-0.2
Lumber & Wood Products	2.2	2.2	2.2	0.0	0.0
Furniture & Fixtures	4.9	5.0	5.0	+0.1	0.0
Fabricated Metal Products	7.1	7.4	7.3	+0.2	-0.1
Machinery	16.4	15.5	15.5	-0.9	0.0
Transportation Equipment	14.6	14.8	14.8	+0.2	0.0
All Other Durable Goods	7.7	7.2	7.1	-0.6	-0.1
Nondurable Goods	38.6	38.5	38.5	-0.1	0.0
Food & Kindred Products	6.9	7.5	7.5	+0.6	0.0
Textile Mill Products	1.6	1.7	1.6	0.0	-0.1
Apparel Products	4.9	5.2	5.2	+0.3	0.0
Printing, Publishing, & Allied Ind.	12.1	12.2	12.3	+0.2	+0.1
Petroleum and Rubber	4.5	4.7	4.7	+0.2	0.0
Leather & Leather Products	2.5	1.9	1.9	-0.6	0.0
All Other Nondurable Goods	6.1	5.3	5.3	-0.8	0.0
Nonmanufacturing	341.7	350.3	350.0	+8.3	-0.3
Mining	0.7	0.7	0.7	0.0	0.0
Construction	25.3	29.4	29.0	+3.7	-0.4
Trans., Communication, & Utilities	21.9	19.9	19.9	-2.0	0.0
Trade	105.5	106.2	107.0	+1.5	+0.8
Wholesale Trade	27.9	27.6	27.5	-0.4	-0.1
Wholesale Durable Goods	17.0	17.4	17.3	+0.3	-0.1
Wholesale Nondurable Goods	10.9	10.2	10.2	-0.7	0.0
Retail Trade	77.6	78.6	79.5	+1.9	+0.9
Finance, Insurance, & Real Estate	30.2	29.8	29.9	-0.3	+0.1
Services & Miscellaneous	94.2	98.2	97.6	+3.4	-0.6
Government	63.7	66.1	65.9	+2.2	-0.2
Federal	9.5	9.8	9.6	+0.1	-0.2
State & Local	54.2	56.4	56.3	+2.1	-0.1
State	22.5	23.0	23.0	+0.5	0.0
Local	31.7	33.4	33.3	+1.6	-0.1

Includes Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties.

* Data includes all full and part-time nonagricultural wage and salary employees who worked during, or received pay for, any part of the pay week which includes the 12th of the month. This is a count of jobs by place of work. Agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers are excluded.

Numbers may not add due to rounding.

The Nashville MSA unemployment rate decreased from 4.7 percent to 4.6 percent. Nonagricultural employment decreased by 500 jobs to 440,400. Manufacturing decreased by 200 jobs while nonmanufacturing decreased by 300 jobs. The largest decreases occurred in construction (-400), services and miscellaneous (-600), and government (-200).

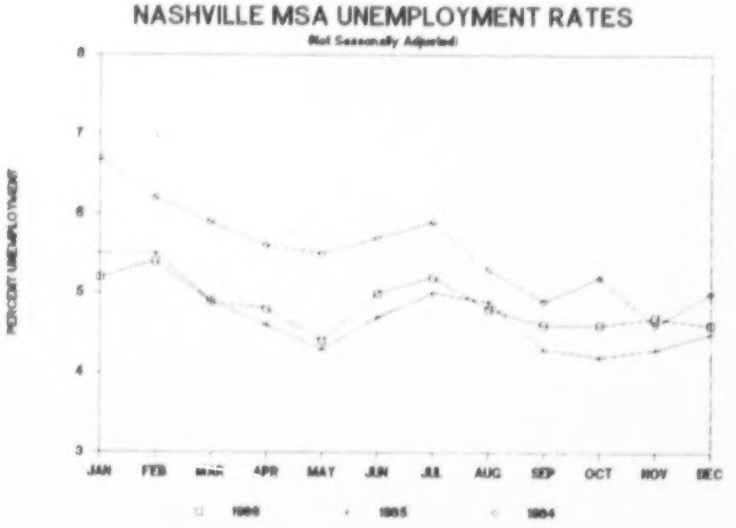
EMPLOYMENT SECURITY ACTIVITIES

July 1, 1986 Through December 31, 1986

	TOTAL	FEMALE	NON-WHITE	VETERAN
New Applications	18,905	8,935	4,765	2,143
Testing	848	320	173	247
Referred to Training	1,315	726	829	136
Nonagricultural Placement	8,100	3,217	2,909	1,228
Counseling	384	146	91	116

HOURS AND EARNINGS OF PRODUCTION WORKERS

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986	Dec. 1985	Nov. 1986	Dec. 1986
All Manufacturing	384.74	400.16	406.72	40.8	41.0	41.0	9.43	9.76	9.92
Durable Goods	408.22	422.01	431.42	40.7	40.5	40.7	10.03	10.42	10.60
Nondurable Goods	344.81	364.08	366.45	41.0	41.8	41.5	8.41	8.71	8.83
Food & Kindred Products	314.88	388.74	380.69	38.4	41.8	41.2	8.20	9.30	9.24
Printing & Publishing	409.88	417.32	430.19	43.1	41.9	42.3	9.51	9.96	10.17



U.S. CONSUMER PRICE INDEX

News

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DECEMBER 1986

BUREAU OF LABOR STATISTICS
SOUTHEASTERN REGIONAL OFFICE
TELEPHONE: 404-347-4416

Group	All urban consumers			Wage earners & clerical workers			All urban consumers			Wage earners & clerical workers		
	UNITED STATES 1967=100	Unadjusted percent change to Dec. 1986 from Dec. 1985	Unadjusted percent change to Dec. 1986 from Nov. 1986	UNITED STATES 1967=100	Unadjusted percent change to Dec. 1986 from Dec. 1985	Unadjusted percent change to Dec. 1986 from Nov. 1986	ATLANTA 1967=100	Unadjusted percent change to Dec. 1986 from Dec. 1985	Unadjusted percent change to Dec. 1986 from Oct. 1986	ATLANTA 1967=100	Unadjusted percent change to Dec. 1986 from Dec. 1985	Unadjusted percent change to Dec. 1986 from Oct. 1986
All items (1967=100)	331.1	1.1	0.1	325.7	0.7	0.1	342.2	2.1	0.7	337.8	1.6	0.6
All items (1957-59=100)	385.1	-	-	378.8	-	-	393.5	-	-	388.5	-	-
Food and beverages	317.0	3.7	0.2	316.8	3.7	0.2	326.2	3.2	- 0.4	329.1	3.1	- 0.6
Food	325.7	3.8	0.2	324.8	3.8	0.2	337.3	3.4	- 0.3	339.6	3.3	- 0.5
Food at home	310.2	3.6	0.1	308.7	3.6	0.1	318.0	2.2	- 0.7	316.5	2.1	- 0.9
Food away from home	367.1	4.3	0.4	370.5	4.3	0.4	374.1	5.2	0.2	387.4	5.4	0.2
Alcoholic beverages	240.8	1.9	0.1	243.9	2.0	0.2	197.3	0.8	- 1.2	205.7	0.4	- 1.6
Housing	362.1	1.8	0.1	354.8	1.6	0.1	391.9	4.6	1.3	379.8	4.4	1.4
Shelter	410.4	4.6	0	398.1	4.7	0.1	443.8	5.9	1.2	432.2	5.9	1.1
Renters costs' 1/	124.2	5.0	- 0.1	111.6	5.0	0.1	130.2	5.9	0.7	115.9	5.8	0.7
Rent, residential	286.0	5.0	0.1	285.1	5.0	0.2	268.1	5.6	0.8	268.1	5.6	0.8
Apparel and upkeep	210.9	0.9	- 1.0	209.6	0.7	- 0.9	221.5	4.4	- 1.2	227.2	3.5	- 1.3
Transportation	304.8	- 5.9	0.2	304.2	- 6.5	0.1	286.7	- 7.9	1.0	290.2	- 9.0	0.8
Medical care	446.8	7.7	0.5	443.9	7.6	0.5	453.1	12.1	1.1	471.7	12.4	1.0
Entertainment	277.4	3.4	0	272.3	3.5	0.1	247.3	6.4	0.2	271.5	8.8	0
Other goods & services	355.2	5.6	0.1	349.5	5.3	0.1	350.3	5.7	1.1	333.2	5.7	1.1
Purchasing power of the Dollar: 1967=$1.00	$.302	- 1.0	0	$.307	- 0.6	0	$.292	- 2.0	- 0.7	$.296	- 1.7	- 0.7
1957-59=$1.00	$.260	-	-	$.264	-	-	$.254	-	-	$.257	-	-

Group size	All urban consumers (December 1977=100)			Wage earners and clerical workers (December 1977=100)		
	All items	Unadjusted percent change to December 1986 from -- December 1985	October 1986	All items	Unadjusted percent change to December 1986 from -- December 1985	October 1986
SOUTH	177.9	0.9	0.2	176.5	0.3	0.1
2,500-75,000 population	176.6	1.2	0.7	177.0	0.5	0.6
75,000-385,000 pop.	176.4	0.6	0.3	176.7	0	0.2
385,000-1,250,000 pop.	179.9	1.1	- 0.1	175.6	0.5	- 0.1
1,250,000 or more pop.	177.9	0.8	0.2	177.0	0.3	0.1

NOTE: Beginning with release of the CPI for January 1987 on February 27, the Bureau will introduce revised versions of the current CPI's for both All Urban Consumers and for Urban Wage Earners and Clerical Workers. The Revised CPI's will reflect more current population and spending patterns and numerous technical enhancements. Further information about the revision is available upon request.

NOTE: The next indexes for Atlanta will be published for the six months ending June. Because they are based on smaller samples, local area indexes are subject to substantially more sampling and other measurement error than national indexes. BLS strongly urges users to consider the use of national indexes in escalator agreements.

1/ Base year is December 1982 for CPI-U, December 1984 for CPI-W.

NOTE: ANNUAL AVERAGES AVAILABLE UPON REQUEST.

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